

115TH CONGRESS
2D SESSION

H. R. 5323

To amend the Dodd-Frank Wall Street Reform and Consumer Protection Act to establish an exemption from the credit valuation adjustment calculation for uncleared derivatives transactions with end-users so that United States companies are not disadvantaged, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 19, 2018

Mr. DAVIDSON introduced the following bill; which was referred to the
Committee on Financial Services

A BILL

To amend the Dodd-Frank Wall Street Reform and Consumer Protection Act to establish an exemption from the credit valuation adjustment calculation for uncleared derivatives transactions with end-users so that United States companies are not disadvantaged, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Derivatives Fairness
5 Act”.

1 **SEC. 2. CREDIT VALUATION ADJUSTMENT RELIEF.**

2 (a) IN GENERAL.—The Dodd-Frank Wall Street Re-
3 form and Consumer Protection Act (12 U.S.C. 5361 et
4 seq.), is amended by inserting after section 176 the fol-
5 lowing new section:

6 **“SEC. 177. CREDIT VALUATION ADJUSTMENT.**

7 “Prudential risk-based capital requirements and gen-
8 erally applicable risk-based capital requirements estab-
9 lished by the appropriate Federal banking agencies shall
10 not apply a fair value adjustment to reflect counterparty
11 credit risk in valuation of over-the-counter derivative con-
12 tracts with respect to transactions with a counterparty
13 that—

14 “(1) is described under section 2(h)(7)(A) of
15 the Commodity Exchange Act;

16 “(2) is a person or class of persons that meets
17 any qualifications required by a regulation issued by
18 the Commodity Futures Trading Commission with
19 respect to such person or class of persons qualifying
20 for an exemption under section 4(c)(1) of the Com-
21modity Exchange Act from the requirements of sec-
22tion 2(h)(1)(A) of such Act; or

23 “(3) is an affiliate that meets the requirements
24 for an exception under section 2(h)(7)(D) of the
25 Commodity Exchange Act.”.

1 (b) CONFORMING AMENDMENT.—The table of con-
2 tents in section 1(b) of the Dodd-Frank Wall Street Re-
3 form and Consumer Protection Act (12 U.S.C. 5301 note)
4 is amended by inserting after the item relating to section
5 176 the following new item:

“Sec. 177. Credit valuation adjustment.”.

○